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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

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Unemployment Rate

Seasonally Adjusted
May*

ARIZONA	6.1%
Maricopa Co.	4.6%
Pima Co.	5.1%
UNITED STATES	7.3%

Consumer Price Index

National-April
1967 - Base Year

Wage Earner/Clerical Worker -	316.7
% Chg. Yr. Ago	4.1
All Urban -	320.1
% Chg. Yr. Ago	3.7

Phoenix-1st Qtr. 1985
1977 - Base Year

All Urban -	187.8
% Chg. Yr. Ago	5.9

Producer Price Index

National-May*
1967 - Base Year

All Commodities	309.9
% Chg. Yr. Ago	0.6
Finished Goods	294.2
% Chg. Yr. Ago	1.1

*Preliminary

THE ARIZONA ECONOMY: Personal Income in 1984

At first glance, personal income (PI) statistics appear to be a bewildering array of large numbers. The latest set of statistics, released in May by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce, show that PI in Arizona rose to $35.5 billion in 1984. BEA also published estimates of 1983 PI for the nation's counties and metropolitan areas. This is a good time to examine the numbers and to see what they reveal about Arizona's economic performance during the last two years.

PI is the sum of all income received by individuals, including wage and salary disbursements, other labor income, farm income, proprietor's income, rent, dividends, interest, and transfer payments, less personal contributions for social insurance. Wages, salaries, and other labor income (which are also referred to as nonfarm earnings) represent the bulk of PI, but dividends, interest, and rent represented over 20 percent of the total last year, while transfer payments accounted for nearly 15 percent in 1984.

In reporting the PI estimates for 1984, BEA indicated that Arizona's increase of 12.5 percent ranked third among the 50 states, with Iowa and South Dakota each posting gains of better than 13 percent. These two farm states were hit especially hard by the 1981-1982 recession, and PI did not rebound in 1983 as strongly as it did in many other states. When the two-year period 1982-1984 is examined, only Georgia, with an increase of 22.5 percent, outpaced the 22.1 percent growth rate observed in Arizona.

Table of Contents

The Arizona Economy: Personal Income in 1984 1
"ASOICC" Serves Arizona 6
Educational Planning and the MICRO OIS of Arizona 7
1985 Poverty Income Guidelines 8
Arizona Labor Force Statistics 10
The Arizona Labor Force in May 14
The Largest Privately Owned Firms in Arizona 15
New Developments 17

Nancy Augustin, editor

What do the numbers mean? Certainly, the familiar story of the rapid growth of the Arizona economy since the recession is supported by the evidence of strong growth in PI. A closer look at the figures reveals some interesting facts.

While the increase in total PI is impressive, it is not unexpected. Arizona has led the nation in the rate of employment growth for much of the last two years; with the number of jobs and people in the state rising so rapidly, it's no surprise that PI was expanding as well.

A different perspective is gained by converting the PI statistics to a per capita basis. BEA estimated per capita PI by dividing the total PI in each area by the latest Census Bureau population estimates. Per capita PI in Arizona increased to $11,629 in 1984, a 9.2 percent increase over 1983. Although this represented the fastest growth rate in any of the western, mountain, and southwestern states, it ranked only twentieth among the 50 states. This can be explained by several factors: (1) income growth was strong throughout the Plains states, due to exceptionally depressed farm income during the recession; (2) the industrial regions of the Great Lakes states experienced a comeback in key income-producing sectors, especially automobiles; and, (3) in the case of Arizona, many high-paying jobs in the mining and smelting industries were eliminated, while a large proportion of the gains in employment were in industries such as services and retail trade, where average wages are somewhat lower. In fact, Arizona's 1984 per capita PI growth rate of 9.2 percent was only slightly higher than the national average of 8.7 percent.

It is hard to determine at the state and local levels what these statistics mean in real terms. In other words, what was the real increase in purchasing power for Arizonans after price inflation is taken into account? Unfortunately, no consumer price index exists that specifically measures the rate of price increases throughout Arizona. The U.S. Consumer Price Index (CPI), compiled by the Bureau of Labor Statistics (BLS), estimates that prices rose by about 4.3 percent on average during 1984, while the Metropolitan Phoenix CPI, calculated by the Bureau of Business and Economic Research at Arizona State University, indicated a 1984 inflation rate of about 5.8 percent in the Phoenix area. So, depending on the inflation rate one wishes to use, real per capita PI increased by about 3.5 to 5 percent in Arizona last year; not bad at all, but somewhat less dazzling than the 12.5 percent increase in total PI.

Another comparison of Arizona to the other states is significant -- how does the level of income in Arizona compare to that of other states? Again, the per capita figures provide an interesting contrast. Arizona's average of $11,629 in 1984 ranked thirty-second among the 50 states. Of all the western and southwestern states, only Oregon and New Mexico ranked lower, while the Rocky Mountain states included three (Montana, Idaho, and Utah) which ranked lower in per capita PI.

Once again, it is not surprising that Arizona, in addition to the states mentioned above, would rank below many northern and midwestern states that are farther along the long-term path of economic development. As people, corporations, financial institutions, and emerging industries move

into the state, the gap in income between Arizonans and the citizens of the industrialized states should narrow, right? The answer is a qualified "maybe." Per capita PI in Arizona in 1984 was about 92 percent of the national average of $12,707. During the recession year of 1982, per capita PI in Arizona was only 90 percent of the national average, so it is clear only that Arizona is moving in the right direction and rapidly improving its position.

Unfortunately, memory can be short, and the recent past may be a distant memory. During the period 1979-1981, a time when mining and smelting were flourishing, construction was very strong, and manufacturing activity was expanding, per capita PI in Arizona averaged about 93 percent of the national level. In this context, despite the impressive growth over the last two years, Arizonans on average have actually lost ground, relative to residents of the rest of the U.S., since 1981.

Of course, these statistics are merely averages of aggregated wages, salaries, profits, interest, transfers, etc., and do not accurately reflect the fortunes of any given group or individual. They do shed some light on the overall performance of the regional economy relative to other regions. It would be especially interesting if the PI statistics could be adjusted to reflect the substantial differences in living costs throughout the U.S. to provide a better measure of "real" PI. Unfortunately, while the regional CPIs computed by BLS can measure the rate of price increases within a region, they cannot measure differences in price levels across regions. BLS used to produce a statistical series consisting of average budgets required to maintain low, intermediate, and high living standards for a hypothetical family of four, and these were available for metropolitan areas throughout the U.S. However, this statistical series was discontinued several years ago due to budget cuts, and it is unlikely to be resumed in the future. This makes a valid comparison of purchasing power across regions very difficult. It is probably safe to assume that, so long as per capita PI in Arizona is steady or increasing relative to the national average, real income is probably holding its own or rising, at least when compared to the rest of the U.S.

A quick look at the components of PI reveals which sectors of the Arizona economy have contributed the most to the rapid expansion last year. Earnings by place of work (non-farm income) grew by a healthy 13.8 percent in 1984, with the major contributors being construction, with a whopping 21.8 percent increase; proprietor's income, up by 18.7 percent; finance, insurance, and real estate, up by 18.5 percent; dividends, interest, and rent, up by 14.6 percent; wholesale trade, up by 16.6 percent; and manufacturing and services, each up by 15.2 percent. Among the slow gainers, government and transportation, communications, and public utilities (TCPU) rose by only 9.0 percent and 8.1 percent respectively, due to a combination of tight budgets, deregulation, and hiring freezes. Total transfer payments (welfare, food stamps, unemployment insurance, etc.) increased by only 4.8 percent, and unemployment insurance payments fell by over 50 percent last year. These events are evidence of the the impressive growth in employment opportunities in Arizona during most of 1984. The distribution of the gains indicates that the regional economy is becoming more diverse and sophisticated. Strong gains were posted in manufacturing, a relatively soft area nationally. This was mostly due to heavy hiring activity among defense contractors, a group of employers that pays relatively well. The construction totals testify to the rapid population growth (over three times the national average) and the bullish confidence among developers and investors in the Arizona economy. The increases in the financial, wholesale trade, and service sectors are symptomatic of the rapidly expanding commercial base in Arizona, especially in the metropolitan areas of the state.

Statistics for counties and metropolitan areas for 1984 will not be available until next year, but the figures for 1983, the first year of economic recovery, show some striking differences throughout the state.

There is little doubt that metropolitan residents enjoy higher incomes than their rural counterparts. In 1983, the Phoenix area averaged $11,779 in PI on a per capita basis, or about 101 percent of the national average that year; Pima County residents averaged $10,694, about 92 percent of the U.S. average. At the other end of the spectrum, the per capita PI of Apache County, most of which lies in the Navajo Nation, was just $5,740 in 1983, 49 percent of the national average and less than half of that of Maricopa County. In fact, of all the nonmetropolitan counties, only Yavapai County, home of increasing numbers of relatively affluent retirees, had a per capita PI that exceeded 80 percent of the national average ($9,868, or 84 percent).

The depth of the depression in mining and smelting and its effect on the mining communities is especially evident in Greenlee County, where per capita PI fell by over 23 percent from 1981 to 1982 and, at $8,184 in 1983, still was lower than in 1980 despite significant inflation in the intervening years. Gila County per capita PI in 1983 also was lower than it was two years earlier. The border counties of Cochise, Santa Cruz, and Yuma all experienced very low rates of growth in per capita PI due to a combination of factors, including a sluggish agricultural sector and a retail trade sector hampered by the struggling Mexican economy.

These diverging growth patterns can be summarized in this manner. The long-term growth rates of PI in the metropolitan and rural areas do not differ greatly. Metropolitan Arizona had an average annual increase of 11.8 percent from 1959-1983, while PI grew by an average of 10.7 percent in the nonmetropolitan counties. However, between 1980 and 1983, the metropolitan portion of PI grew by a total of 30.5 percent, while the rural counties posted a total increase of only 21.9 percent during the same three-year period. With the economic woes in mining continuing through the present, it is likely that the disparity in income growth illustrated by these numbers has continued to widen.

What can be concluded from the latest batch of PI statistics? Well, Arizona's economy has compiled an enviable record of economic growth in recent years. However, most of the new prosperity has been created in the urban areas, and only Maricopa County can claim a level of per capita PI which is at or above the U.S. average. We often speak of Arizona's metropolitan areas in combination, but a significant disparity of over $1000 per year exists between the Phoenix and Tucson areas. Some of the difference may be offset by a difference in living costs, a factor not easily determined. The data also show that, while urban economies continue to develop, rural areas are growing more slowly, and copper mining and smelting areas have suffered much more than employment and unemployment statistics may indicate.

What will the future bring? In early June, BEA released their long-term PI growth projections. PI in Arizona is expected to grow faster than in any other state through the year 2000, with an annual growth rate of 4.3 percent (compared to a national average of 2.6 percent). This may be conservative, especially compared to near-term forecasts. Marshall Vest, manager of the Forecasting Project at the University of Arizona, Division of Economic and Business Research, is one of several economists that forecast Arizona PI. Vest forecasts an increase in Arizona PI of about 10.2 percent in 1985, according to the April 1985 issue of Arizona's Economy. If his forecast is accurate, we can expect another strong year for the state's economy.

When all is taken into account, what do the PI figures mean? Two things: first, while PI is an imperfect measure of economic activity, it is one of the better measures we have of the economic well-being of individuals in various regions around the U.S. Second, estimates and projections of PI truly constrain the growth of one significant sector in Arizona: government. Currently, appropriations by the state government may not exceed 7.18 percent of projected PI for the fiscal year.

With PI projected to total about $41.3 billion in Arizona during the 1985-1986 fiscal year, budgeted appropriations stand about $200 million below the constitutional limit. If the future increases fall short of

projections, the state may be forced to cut spending, employment, and future levels of service. Given the current pattern of growth, this is not likely this year or next, but a slower growth rate in future PI eventually may force some tough budget decisions to be made.

Brian Cary

TOTAL PERSONAL INCOME: 10 FASTEST GROWING STATES, 1983-1984

	Total PI, 1984 (Millions of Dollars)	Growth Rate, 1983-1984	Per Capita PI, 1984	Percent of National Average
United States	$3,000,827	9.7%	$12,707	100
Iowa	35,177	13.2	12,090	95
South Dakota	7,799	13.1	11,049	87
ARIZONA	35,504	12.5	11,629	92
Georgia	66,779	12.1	11,441	90
Indiana	64,872	12.0	11,799	93
Minnesota	55,014	11.5	13,219	104
Florida	137,774	11.3	12,553	99
North Carolina	66,322	11.2	10,758	85
South Carolina	33,248	11.1	10,075	79
Illinois	158,024	10.9	13,728	108

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, May 1985.

ARIZONA PER CAPITA PERSONAL INCOME BY COUNTY: 1981-1983

	1981		1982		1983	
	Per Capita Personal Income	Percent of National Average	Per Capita Personal Income	Percent of National Average	Per Capita Personal Income	Percent of National Average
United States	$10,544	100	$11,113	100	$11,687	100
Arizona	9,819	93	10,050	90	10,653	91
Counties						
Apache	5,176	49	5,206	47	5,740	49
Cochise	7,577	72	7,817	70	8,356	71
Coconino	7,819	74	7,983	72	8,386	72
Gila	8,649	82	8,380	75	8,599	74
Graham	6,066	58	6,034	54	6,245	53
Greenlee	9,160	87	7,018	63	8,184	70
La Paz *	-	-	-	-	7,537	64
Maricopa	10,796	102	11,116	100	11,779	101
Mohave	8,389	80	8,219	74	8,575	73
Navajo	6,564	62	6,743	61	7,119	61
Pima	9,654	92	9,969	90	10,694	92
Pinal	8,090	77	7,558	68	7,455	64
Santa Cruz	7,779	74	7,775	70	7,769	66
Yavapai	9,293	88	9,384	84	9,868	84
Yuma *	8,087	77	8,175	74	8,532	73

* La Paz County was separated from Yuma County on January 1, 1985.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, May 1985.

"ASOICC" SERVES ARIZONA

Since August, 1977, a small federally-funded, interagency program has effectively served the residents of Arizona by coordinating and disseminating occupational and career information. Known as the Arizona State Occupational Information Coordinating Committee -- or "ASOICC," the program came into existence following amendments to the Vocational Education Act of 1976 and an interagency agreement between the Office of Economic Planning and Development (OEPAD), the Arizona Department of Education, and the Department of Economic Security. The legislation created a mandate to:

- Develop and implement a national, state, and local occupational information system to meet the common occupational information needs of vocational education and employment and training program administrators and planners, and

- Improve coordination between, and communication among, such administrators and planners, as well as employment security administrators, research personnel, and others.

By mid-1980 ASOICC staff began to develop and implement a comprehensive Occupational Information System (OIS) pursuant to an approved OIS Policy Paper and to conduct training workshops with user groups to create an awareness of existing information and resources. Additionally, the workshops were essential to reaching agreement on system specifications, data elements, and other ingredients of the OIS of Arizona. With assistance from the participating agencies, ASOICC also created the Arizona Career Information System (ACIS) in March, 1980, to meet the increasing demand for timely and accurate career information. During the following 30 months, the new career system expanded to 120 computer-terminal sites and 70 microfiche sites -- all of which provided a wealth of career information from six national files and from six Arizona files to residents throughout the state.

Effective April 1, 1984 the ASOICC program was consolidated with other units to form the new Research Administration of the Division of Employment and Rehabilitation Services, Department of Economic Security. This reorganization has proved to be an important and progressive step in the continuing effort to improve coordination between--and communication among--the various producers and users of occupational and career information.

By way of the "ASOICC Network," junior and senior high schools, community colleges, private and special schools, and prison and public libraries across the state have received basic occupational and career decision reference materials. This network now reaches out to such organizations as the Salvation Army's Harbor Light and Alcoholic Rehabilitation Centers, the Goodwill Industries, and various professional and technical associations.

ASOICC is not a large staff of individuals from any one agency. Rather, it is a composite of several organizations working in a coordinated and cooperative manner to achieve a common goal: "...providing the best information and resources to the citizens we serve." In fact, the staff of ASOICC currently consists of only three persons who coordinate the endeavors of many related agencies on specific projects.

For additional information concerning the ASOICC program, interested readers may contact Stan Butterworth, ASOICC director, at (602)255-3680. Written inquiries may be addressed to: ASOICC, Site Code 897J, P.O. Box 6123, Phoenix, Arizona 85005.

Stan Butterworth

EDUCATIONAL PLANNING AND THE MICRO OIS OF ARIZONA

The Occupational Information System of Arizona (OIS) project now has available a microcomputer-based data base for vocational planners and career counselors. The MICRO OIS of Arizona includes employment and job opening data for over 900 occupations. The system includes training data from secondary schools, community colleges, private schools, community-based organizations, and the Job Training Partnership Act (JTPA) by vocational training area. The MICRO OIS will include data on apprenticeship completors, Job Service job applicants and job orders, Unemployment Insurance applicants, and hourly-wage data from job orders. The Job Service data will cover over 4,000 Dictionary of Occupational Titles (DOT) code occupations. The data to be available are summarized below.

The MICRO OIS of Arizona permits retrieval of information using a direct access mode or a search mode. The direct access mode permits retrieval of data by entry of occupational title (e.g., electronic technician) or code (e.g., a DOT code). The search mode permits retrieval of data based on employment or training levels, growth rates, wage rate, and by other variables.

A key element of this system is the clustering of occupations with related training areas. A supply and demand report may be printed out for a given cluster which pulls together occupational demand information with training supply information. This information is organized in a way that maximizes its usefulness for planning and decision-making purposes. The MICRO OIS of Arizona is currently designed to run on an IBM Microcomputer utilizing dBase II software. The software has been customized to provide a powerful and easily used tool for vocational program planning purposes.

The MICRO OIS project was developed by the National Occupational Information Coordinating Committee. Development and implementation in Arizona has been funded primarily by Vocational Education in the Arizona Department of Education. Arizona development and implementation is being carried out through the Arizona State Occupational Information Coordinating Committee. For further information contact: Hugo H. Soll, Manager, OIS of Arizona, Site Code 897J, P.O. Box 6123, Phoenix, Arizona 85005, (602) 255-3680.

Hugo H. Soll

INFORMATION BY OCCUPATION OR VOCATIONAL TRAINING AREA AVAILABLE JUNE 30, 1985 IN THE MICRO OIS*

Type of Information	Statewide	County
1985 Estimated employment	Yes	Yes
1990 Projected employment	Yes	Yes
1985-90 Annual replacement demand	Yes	Yes
1985-90 Annual growth demand	Yes	Yes
1985-90 Annual job openings	Yes	Yes
1983-84 Public secondary enrollments/completors	Yes	Yes
1983-84 Community college enrollments/completors	Yes	Yes
1983-84 Proprietary enrollments/completors	Yes	Yes
1984 Job Training Partnership Act	No	No
1984 Job Service job openings	Yes	Yes
1984 Job Service openings/applicants ratio	Yes	Yes
1984 Job Service average wage	Yes	Yes
1984 Unemployment Insurance claimants	Yes	Yes
1984 Apprenticeship completors	Yes	Yes

*Employment and demand data are by occupations based on the Occupational Employment Statistics (OES) code. Education and training data are by vocational training area based on the Classification of Instructional Programs (CIP) code. Job Service, UI, and Apprenticeship data are by occupations based on the DOT code.

1985 POVERTY INCOME GUIDELINES

The Department of Health and Human Services issued new poverty income guidelines on March 8, 1985. The guidelines listed reflect changes in the Consumer Price Index. These poverty income guidelines are used as an eligibility criterion by a number of federal programs including the Job Training Partnership Act (JTPA). It should be noted that Lower Living Standard Income Levels (LLSIL) were also revised for fiscal year 1985 by the Employment and Training Administration (ETA), U. S. Department of Labor, and are provided for both "Metropolitan" and "Non-Metropolitan" areas.

The definitions used in determining "family size" and "income" are derived for the most part from language used by the U.S. Bureau of the Census "Current Population Reports." Prior to 1981, there was a distinction between poverty guidelines for farm families and nonfarm families. The poverty guidelines given below are applicable to both farm and nonfarm families.

By definition, a "family" is a group of two or more persons related by birth, marriage, or adoption who reside together; all such related persons are considered members of one family. If a household contains more than one family, the poverty guidelines are applied separately to each family, and not to the household as a whole.

A "family size of 1" is a person 15 years old or over (other than an inmate of an institution) who is not living with any relatives. Examples of unrelated individuals residing with others include a lodger, a foster child, a ward, or an employee.

"Income" refers to total annual cash receipts before taxes from all sources. These receipts include money wages and salaries before any deductions, but do not include food or rent in lieu of wages. They also include net receipts from nonfarm or farm self-employment such as receipts from a person's own business or farm after deductions for business or farm expenses.

Income also includes regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, veterans' benefits, public assistance including Supplemental Security Income, training stipends, alimony, child support, private pensions, regular insurance or annuity payments, income from dividends, interest, rents, royalties, periodic receipts from estates or trusts, and military family allotments or other regular support from an absent family member or someone not living in the household.

"Income" for eligibility purposes does not include capital gains, any assets drawn down as withdrawals from a bank, the sale of property, a house, a car, tax refunds, gifts, lump-sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are non-cash benefits such as the employer-paid or union-paid portion of health insurance, food or rent received in lieu of wages, the value of food or fuel produced and consumed on farms, the imputed value of rent from owner-occupied nonfarm or farm housing, and such federal programs as Medicaid, food stamps, and public housing.

Jeff Bowman

POVERTY INCOME GUIDELINES FOR ALL STATES
(except Alaska and Hawaii)

Family Size	Poverty Level	70% LLSIL*	
		Metropolitan	Non-Metropolitan
1	$ 5,250	$ 4,980	$ 4,980
2	$ 7,050	$ 7,070	$ 7,310
3	$ 8,850	$ 9,700	$10,040
4	$10,650	$11,970	$12,390
5	$12,450	$14,130	$14,620
6	$14,250	$16,520	$17,100
7	$16,050	$18,910	$19,580
8	$17,850	$21,300	$22,060
For Each Additional Person Add	$ 1,800	$ 2,390	$ 2,480

*Lower Living Standard Income Level

ARIZONA UNEMPLOYMENT INSURANCE - APRIL 1985

	APRIL 1985	MARCH 1985	APRIL 1984	% Change From 1 Year ago
Arizona Claimants Served*	25,374	28,698	28,149	- 9.9%
Arizona Average Weeks Unemployed**	8.9	8.7	8.5	+ 4.7%
Arizona Benefits Paid*	$ 7,611,795	$ 9,284,576	$ 8,087,757	- 5.9%
Arizona Trust Fund Balance	$266,088,244	$245,896,002	$183,522,541	+45.0%

*All Programs
**UI Only

Arizona Labor Force and Employment

May 1985 (in thousands)

	ARIZONA				
				-- Amt Change --	
	May.* 1985	Apr. 1985	May. 1984	Apr. to May.	1984 to 1985
TOTAL CIVILIAN LABOR FORCE	1457.4	1474.4	1428.0	-17.0	+29.4
Total Unemployment	86.8	84.2	68.0	+2.6	+18.8
Rate	6.0	5.7	4.8	---	---
Rate (Sea. Adj.)**	6.1	5.9	5.0	---	---
Total Employment	1370.6	1390.2	1360.0	-19.6	+10.6

THE ABOVE LABOR FORCE STATISTICS SHOUL

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1263.3	1262.7	1180.1	+0.6	+83.2
Manufacturing	181.4	181.0	170.5	+0.4	+10.9
Durable Goods	143.9	143.6	134.2	+0.3	+9.7
Stone, Clay and Glass	8.0	7.9	7.3	+0.1	+0.7
Primary and Fabricated Metals	16.9	17.0	16.0	-0.1	+0.9
Primary Metals	7.2	7.2	6.8	+0.0	+0.4
Fabricated Metals	9.7	9.8	9.2	-0.1	+0.5
Machinery	71.4	71.8	67.3	-0.4	+4.1
Other Durable Goods	47.6	46.9	43.6	+0.7	+4.0
Aircraft and Missiles	21.3	21.2	19.5	+0.1	+1.8
Lumber and Wood Products (Except Furniture)	7.4	7.0	7.2	+0.4	+0.2
All Other Durable Goods	18.9	18.7	16.9	+0.2	+2.0
Nondurable Goods	37.5	37.4	36.3	+0.1	+1.2
Food and Kindred Products	7.9	7.9	7.7	+0.0	+0.2
Apparel	4.6	4.6	5.2	+0.0	-0.6
Printing and Publishing	14.4	14.3	13.4	+0.1	+1.0
All Other Nondurable Goods	10.6	10.6	10.0	+0.0	+0.6
Mining and Quarrying	12.2	12.2	13.6	+0.0	-1.4
Copper Mining	9.4	9.5	10.7	-0.1	-1.3
Other Mining and Quarrying	2.8	2.7	2.9	+0.1	-0.1
Construction	110.3	109.2	95.0	+1.1	+15.3
Trans., Communications, and Public Utilities	62.5	62.6	59.5	-0.1	+3.0
Transportation	28.9	28.8	27.1	+0.1	+1.8
Communications and Public Utilities	33.6	33.8	32.4	-0.2	+1.2
Trade	303.2	303.8	283.5	-0.6	+19.7
Wholesale Trade	62.9	62.9	57.9	+0.0	+5.0
Retail Trade	240.3	240.9	225.6	-0.6	+14.7
General Merchandise and Apparel	38.5	38.7	37.4	-0.2	+1.1
Food Stores	36.7	37.0	34.4	-0.3	+2.3
Automotive and Service Stations	28.8	28.8	26.9	+0.0	+1.9
Eating and Drinking Places	85.0	85.2	80.0	-0.2	+5.0
Other Retail Trade	51.3	51.2	46.9	+0.1	+4.4
Finance, Insurance, and Real Estate	75.9	75.4	71.5	+0.5	+4.4
Services and Miscellaneous	296.1	295.8	273.9	+0.3	+22.2
Hotels and Other Lodging Places	32.2	32.4	28.3	-0.2	+3.9
Business Services	66.4	66.1	60.0	+0.3	+6.4
Health Services	70.9	71.0	68.8	-0.1	+2.1
Other Services	126.6	126.3	116.8	+0.3	+9.8
Government	221.7	222.7	212.6	-1.0	+9.1
Federal	40.5	40.8	38.9	-0.3	+1.6
State and Local	181.2	181.9	173.7	-0.7	+7.5
School	109.9	110.8	106.6	-0.9	+3.3

* Preliminary
** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Prepared in cooperation with the U.S. Department of Labor,Bureau of Labor Statistics.

May 1985 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			-- Amt Change --					-- Amt Change --	
May.* 1985	Apr. 1985	May. 1984	Apr. to May.	1984 to 1985	May.* 1985	Apr. 1985	May. 1984	Apr. to May.	1984 to 1985
925.0	938.1	900.5	-13.1	+24.5	264.0	268.6	260.9	-4.6	+3.1
41.7	41.2	33.0	+0.5	+8.7	13.0	14.0	10.7	-1.0	+2.3
4.5	4.4	3.7	---	---	4.9	5.2	4.1	---	---
4.6	4.5	3.8	---	---	5.1	5.3	4.3	---	---
883.3	896.9	867.5	-13.6	+15.8	251.0	254.6	250.2	-3.6	+0.8

NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

828.7	822.3	766.7	-0.6	+62.0	229.2	229.3	215.2	-0.1	+14.0
131.9	131.8	123.7	+0.1	+8.2	31.0	30.8	28.6	+0.2	+2.4
105.8	105.8	98.4	+0.0	+7.4	26.0	25.9	23.7	+0.1	+2.3
4.8	4.7	4.3	+0.1	+0.5					
11.3	11.3	10.0	+0.0	+1.3					
57.4	57.8	54.4	-0.4	+3.0					
32.3	32.0	29.7	+0.3	+2.6					
26.1	26.0	25.3	+0.1	+0.8	5.0	4.9	4.9	+0.1	+0.1
5.1	5.1	5.3	+0.0	-0.2					
2.8	2.8	3.1	+0.0	-0.3					
10.6	10.6	9.8	+0.0	+0.8					
7.6	7.5	7.1	+0.1	+0.5					
0.6	0.6	0.6	+0.0	+0.0	2.5	2.5	3.7	+0.0	-1.2
77.0	76.7	65.7	+0.3	+11.3	20.7	20.3	17.6	+0.4	+3.1
41.2	41.0	38.4	+0.2	+2.8	8.9	8.9	8.9	+0.0	+0.0
19.7	19.6	18.1	+0.1	+1.6	4.1	4.1	4.1	+0.0	+0.0
21.5	21.4	20.3	+0.1	+1.2	4.8	4.8	4.8	+0.0	+0.0
205.9	206.9	192.2	-1.0	+13.7	50.1	50.1	47.1	+0.0	+3.0
49.8	49.6	46.2	+0.2	+3.6	7.4	7.4	6.5	+0.0	+0.9
156.1	157.3	146.0	-1.2	+10.1	42.7	42.7	40.6	+0.0	+2.1
24.0	24.3	23.6	-0.3	+0.4	7.5	7.5	7.3	+0.0	+0.2
23.3	23.6	22.0	-0.3	+1.3	5.8	5.8	5.5	+0.0	+0.3
18.4	18.5	17.0	-0.1	+1.4	4.5	4.5	4.3	+0.0	+0.2
54.8	55.3	51.1	-0.5	+3.7	15.9	16.0	15.2	-0.1	+0.7
35.6	35.6	32.3	+0.0	+3.3	9.0	8.9	8.3	+0.1	+0.7
59.3	58.8	55.7	+0.5	+3.6	10.6	10.6	10.1	+0.0	+0.5
201.3	202.0	184.7	-0.7	+16.6	54.7	54.6	50.4	+0.1	+4.3
19.4	20.1	16.6	-0.7	+2.8	4.7	5.0	4.3	-0.3	+0.4
54.0	53.8	49.7	+0.2	+4.3	9.7	9.6	8.1	+0.1	+1.6
47.8	48.2	46.5	-0.4	+1.3	14.6	14.3	14.0	+0.3	+0.6
80.1	79.9	71.9	+0.2	+8.2	25.7	25.7	24.0	+0.0	+1.7
111.5	111.5	105.7	+0.0	+5.8	50.7	51.5	48.8	-0.8	+1.9

-- Prepared by Labor Market Information, Research and Analysis (CPS, 1/85)

NONMETROPOLITAN COUNTIES
LABOR FORCE AND EMPLOYMENT
MAY 1985

	Apache	Cochise	Coconino	Gila	Graham	Green-lee	La Paz
TOTAL CIVILIAN LABOR FORCE*.	15,875	28,375	36,775	12,475	7,725	2,950	4,750
Total Unemployment	2,450	2,300	3,050	1,375	850	425	650
Rate	15.4%	8.1%	8.3%	11.0%	11.0%	14.4%	13.7%
Rate (Seas. Adj.)**. . . .	17.6%	8.3%	8.9%	11.4%	11.1%	15.4%	-INA-
Total Employment	13,425	26,075	33,725	11,100	6,875	2,525	4,100
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY. . . .	15,175	22,900	34,350	9,775	4,750	2,550	2,600
Manufacturing.	650	1,875	2,525	1,275	150	75	75
Mining and Quarrying	25	175	50	1,600	50	1,425	0
Construction	1,050	1,325	1,675	425	150	75	175
Trans., Comm., & Pub. Util..	1,825	1,425	2,375	300	150	50	50
Trade.	1,350	4,900	8,000	1,900	1,350	300	850
Fin., Insur., & Real Estate.	275	650	750	225	150	25	75
Services and Miscellaneous .	4,525	3,025	8,475	1,775	775	100	600
Government	5,475	9,525	10,500	2,275	1,975	500	775

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL CIVILIAN LABOR FORCE*.	24,400	24,825	31,500	8,650	32,625	37,650
Total Unemployment	2,650	2,600	4,025	1,275	1,875	8,525
Rate	10.9%	10.5%	12.8%	14.7%	5.7%	22.6%
Rate (Seas. Adj.)**. . . .	11.2%	11.5%	13.0%	16.8%	5.8%	-INA-
Total Employment	21,750	22,225	27,475	7,375	30,750	29,125
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY. . . .	18,025	18,850	25,350	8,025	20,000	22,875
Manufacturing.	2,275	1,800	3,175	775	2,200	1,550
Mining and Quarrying	275	1,100	3,675	0	625	50
Construction	1,500	1,000	1,050	300	1,900	2,000
Trans., Comm., & Pub. Util..	1,100	1,575	1,175	575	875	900
Trade.	5,125	3,425	4,525	3,425	5,225	6,975
Fin., Insur., & Real Estate.	875	350	675	250	825	825
Services and Miscellaneous .	3,625	4,975	2,875	1,225	3,900	4,150
Government	3,250	4,625	8,200	1,475	4,450	6,425

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics

ARIZONA LABOR FORCE AND EMPLOYMENT FOR ECONOMIC ASSISTANCE PROGRAMS MAY 1985

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,457,394	1,370,634	86,760	6.0%
Apache	15,877	13,424	2,453	15.5
Cochise	28,388	26,076	2,312	8.1
Coconino	36,767	33,728	3,039	8.3
Gila	12,474	11,109	1,365	10.9
Graham	7,733	6,892	841	10.9
Greenlee	2,948	2,513	435	14.8
La Paz	4,743	4,097	646	13.6
Maricopa	924,908	883,190	41,718	4.5
Mohave	24,406	21,750	2,656	10.9
Navajo	24,827	22,237	2,590	10.4
Pima	263,007	250,067	13,040	4.9
Pinal	31,494	27,479	4,015	12.7
Santa Cruz	8,643	7,377	1,266	14.6
Yavapai	32,633	30,762	1,871	5.7
Yuma	37,646	29,133	8,513	22.6

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

ESTIMATED HOURS AND EARNINGS OF PRODUCTION WORKERS IN SELECTED INDUSTRIES IN ARIZONA MAY 1985

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVG. HOURLY EARNINGS		
	MAY * 1985	APR. 1985	MAY 1984	MAY * 1985	APR. 1985	MAY 1984	MAY * 1985	APR. 1985	MAY 1984
FOR THE STATE OF ARIZONA*									
Manufacturing	385.36	382.30	358.67	40.1	40.2	40.3	9.61	9.51	8.90
Aircraft & Missiles	INA	INA	INA	INA	INA	INA	INA	INA	INA
Food & Kindred Products	332.93	327.64	313.10	40.7	40.7	40.4	8.18	8.05	7.75
Primary Metals	488.22	502.65	480.64	39.5	39.3	39.3	12.36	12.79	12.23
Machinery	349.52	340.42	330.89	39.9	39.4	40.6	8.76	8.64	8.15
Copper Mining	560.14	586.87	550.09	41.4	42.9	41.8	13.53	13.68	13.16
Construction	423.36	429.79	424.05	36.0	36.3	37.1	11.76	11.84	11.43
Utilities	582.06	573.30	525.95	43.6	44.1	42.9	13.35	13.00	12.26
Retail Trade**	236.65	236.31	245.73	34.1	34.7	33.8	6.94	6.81	7.27
Wholesale Trade	349.13	363.82	351.50	37.3	38.5	38.5	9.36	9.45	9.13

* Preliminary
** Excludes eating and drinking places.
NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

--Prepared by Labor Market Information, Research and Analysis (1972 SIC, 1/84)

THE ARIZONA LABOR FORCE IN MAY

Arizona continued to experience rising unemployment in May, providing more evidence of a slowdown in the rate of economic growth. The 6.1 percent unemployment rate recorded last month is the highest since January 1984 when the rate stood at 6.2 percent. Although some sectors of the economy have continued to perform well, unemployment is likely to climb higher this summer before the trend is reversed.

Wage and salary employment increased by about 600 last month, but several key categories showed much less strength than in 1984. Manufacturing employment rose by 400, a modest improvement when compared to the gain of 1,600 observed during May 1984. A disparity in hiring patterns among Arizona's manufacturers has developed in recent months. Aircraft and aerospace manufacturers with defense contracts have expanded their staffs very rapidly, while producers of semiconductors and electronic components for the private sector are cutting production schedules or laying off workers. Machinery manufacturers, including many large high-technology firms, reduced employment by 400 in May, but strong hiring activity by other durable goods producers resulted in a net gain for manufacturing. The outlook suggests more of the same: the semiconductor industry reported a fall in the book-to-bill ratio from 0.77 to 0.72 last month, meaning that the value of new orders was only 72 percent of the value of products shipped last month. Until inventories are reduced and market demand improves, many high-technology manufacturing companies may continue to struggle and will be forced to cut production even more in the months ahead.

The metropolitan counties experienced seasonal losses of jobs in the service and trade industries. Employment in retail trade fell by 1,200 in the Phoenix area, including a reduction of 500 jobs in eating and drinking establishments. Lower employment levels in retail trade are a natural result of the end of the winter tourism season and are expected at this time each year. In 1983 and 1984, however, the economic expansion provided enough momentum to keep retail trade growing through May before the summer doldrums arrived. In Pima County, employment in retail establishments dropped off slightly, a strong performance when seasonal factors are taken into account.

The service industries also showed expected seasonal patterns in May, with hotels and lodging establishments reducing employment in the desert counties at the same time that hiring activity was accelerating in northern Arizona. Maricopa County lost over 700 hotel jobs, while the Tucson area lost about 200. The development of new hotels and resorts will result in hundreds of new jobs for Pima County workers during the next two years. Meanwhile, the high levels of tourism observed in the Grand Canyon area during May may indicate that a strong summer tourist season is in store for the northern counties this year, with brisk hiring in trade and services to follow.

The most remarkable sector of the Arizona economy this year has been construction. Employment in construction has increased in nine of the last ten months. The gains of the last few months are especially impressive in comparison with the slower growth of manufacturing. Falling interest rates have helped to sustain growth in construction, particularly in the home building sector. Without a strong surge in demand for office space, however, the overbuilt commercial real estate market in the state may force some planned developments to be postponed or cancelled, with layoffs of construction workers to follow as existing projects are completed.

At this stage, the regional economy is generally healthy, but the momentum that was generated by the explosive growth of 1984 has diminished. Manufacturing firms in Arizona and around the U.S. are suffering from soft product demand, a strong dollar, and formidable international competition, the same factors that are crippling the domestic copper industry. Slower job growth, combined with an increased probability of layoffs in manufacturing and construction, is likely to push the unemployment rate upward this summer, but Arizona should continue to create jobs faster than the national average.

Brian Cary

THE LARGEST PRIVATELY OWNED FIRMS IN ARIZONA BY 1983 REVENUES

The following are the 100 largest privately owned firms in Arizona listed by the international accounting firm, Arthur Andersen and Company. By the use of surveys and Dun & Bradstreet Corporation records, the list ranks these companies in terms of annual revenues including firms with revenues ranging from more than $100 million to less than $25 million. The study found that these 100 Arizona firms pump as much as $5 billion into the state's economy and employ 30,777 workers or as much as 2.4 percent of the employed labor force in the state.

Clara Dunn

$100 Million or More

Company	City	Industry	Employees
Giant Industries, Inc.	Phoenix	Trade, Mining	460
Shamrock Foods Company	Phoenix	Manufacturing, Trade	925
Bar-S Foods Company	Phoenix	Manufacturing, Trade	672
Sundt Corporation	Tucson	Construction	2,200
United Dairymen of Arizona	Tempe	Trade	200
Kitchell Corporation	Phoenix	Construction	575
Kaibab Industries	Phoenix	Manufacturing, Transportation, Trade, Real Estate	1,200
Tanner Southwest	Phoenix	Construction	1,420
Gosnell Development Co.	Phoenix	Construction, Real Estate	2,650

$100 Million to $75 Million

Bud Melcher and Associates	Phoenix	Real Estate	232
Forever Living Products Inc.	Tempe	Manufacturing, Trade	501
P.F. West Inc.	Tucson	Construction, Real Estate	375
Frank Aries Ent. LTD	Tucson	Real Estate	12
Empire Southwest Co.	Phoenix	Trade, Transportation, Real Estate	750
Arizona Mail Order Co.	Tucson	Trade	490

$75 Million to $50 Million

Co-Sales	Phoenix	Trade	44
Hensley & Company	Glendale	Trade	175
Notre Dame Development Corp.	Phoenix	Real Estate	60
SGS Semiconductor Corp.	Phoenix	Manufacturing	192
Conventry Homes, Inc.	Phoenix	Construction, Real Estate	192
Empire West Co.	Tucson	Construction, Real Estate	200

$50 Million to $25 Million

Company	City	Industry	Employees
Arizona Wholesale Supply Co.	Phoenix	Trade	180
J.R. Porter Construction Inc.	Phoenix	Construction	150
Feeders Grain	Phoenix	Trade	47
Amex LTD	Phoenix	Trade	18
Bardell Horn Inc.	Phoenix	Trade	34
American Fence Corp.	Phoenix	Construction, Trade	725
Frost Construction Co.	Tempe	Construction	40
Blood Systems Inc.	Scottsdale	Services	883
Knoell Brothers Construction Inc.	Phoenix	Construction	80
Roofing Construction Co. Inc.	Phoenix	Trade	185
RR & RR Evans Co.	Phoenix	Trade	70
J.R. Norton Co.	Phoenix	Agriculture	2,600
Best Western International Incorporated/Best Western Way	Phoenix	Services	550
Sigler & Faigen	Phoenix	Trade	120
Golden Eagle Distribution Inc.	Tucson	Trade	165
Environmental Air Prod/ Krueger Manufacturing	Tucson	Trade	1,545
United Liquor Co.	Phoenix	Trade	140
National Bands Inc.	Phoenix	Trade	150
Cienga LTD	Tucson	Real Estate	76
Emerald Homes Inc.	Phoenix	Construction	85
L.G. Lefler Inc.	Tucson	Construction	200
Arizona Agricorp Inc.	Tucson	Trade	195
Lawrence Hickey & Son Inc.	Tucson	Construction	125
Ugly Duckling Rent-A-Car System Inc.	Tucson	Services	25
Red River Resources Inc.	Phoenix	Finance	60
Smith Pipe and Steel Co.	Phoenix	Services	200
Ed Hodlerness Supplies Inc.	Tucson	Trade	95
Sun Lakes Marketing	Chandler	Real Estate	230
Walled Lake Door Co.	Phoenix	Manufacturing	400
Chanen Construction Co.	Phoenix	Construction	150
Maupin Cos. Inc.	Phoenix	Construction	30
Lumber Country Inc.	Tucson	Trade	160
Mueller Group	Tempe	Construction	22
Osten Meat Co. Inc.	Phoenix	Trade	20
Fletcher Enterprises	Phoenix	Services, Trade	200
Cummins Southwest Inc.	Phoenix	Trade	275
Snobird Inc.	Kingman	Trade	35
Joe E. Woods Inc.	Mesa	Construction	130
Air Couriers Int'l.	Phoenix	Transportation	550
STI Inc.	Glendale	Transportation	500
Phoenix Fuel Co.	Phoenix	Trade	33
Consortium For Int'l. Development	Tucson	Services	15
Riley Whittle Inc.	Phoenix	Transportation	500
B.S. & W Energy Corp.	Phoenix	Manufacturing	115
K-J Distributors Inc.	Phoenix	Trade	75
Scurr-Messenger Lundquist and Associates	Phoenix	Real Estate	100
Laidlaw Associates	Scottsdale	Manufacturing	350
Specialty Forest Products Inc.	Chandler	Trade	26

Under $25 Million

Company	City	Industry	Employees
Allied Concrete & Materials Co.	Mesa	Manufacturing, Trade	275
Arizona Television Co.	Phoenix	Communication	175
Mundus Travel	Phoenix	Services	130
Western States Petroleum Inc.	Phoenix	Manufacturing	80
Road Machinery Co.	Phoenix	Trade	213
Central Arizona Disributing Co.	Glendale	Trade	128
Wood J.A. Co-Vista Inc.	Phoenix	Agriculture	250
Shepherd Oil Inc.	Morristown	Manufacturing	105
Charles Roberts Air Conditioning	Phoenix	Trade, Services	260
Best Way Transportation	Phoenix	Transportation	530
Flori Corp.	Phoenix	Trade	90
CTI Corp.	Rillito	Transportation	350
Artcraft Construction Co. Inc.	Phoenix	Construction	125
B & D Supply Co. of Arizona	Phoenix	Trade	140
Taylor Brothers Wholesale Distributors	Mesa	Trade	49
Cardon Homes Corp.	Mesa	Construction, Real Estate	50
Vinyltech Corp.	Phoenix	Manufacturing	50
Swift Transportation Co.	Phoenix	Transportation	175
Precision Components	Phoenix	Construction	350
Westfield Associates Inc.	Phoenix	Construction	30
Systems Marketing Inc.	Phoenix	Services	21
Schuff Steel Co.	Phoenix	Construction	90
Universal Roofers Inc.	Phoenix	Construction	416
City Meats and Provisions Co., Inc.	Tucson	Trade	60
Dix Construction Co. Inc.	Scottsdale	Construction	135
Kealy Construction Co.	Phoenix	Construction	50
Navco Construction Co.	Lakeside	Construction	35
Project Development Corp.	Phoenix	Real Estate	5
Tempe Meat Packing Co.	Tempe	Trade	31
Redburn Tire Co.	Phoenix	Trade, Services	105
National Car Rental	Phoenix	Services	182

SOURCE: Arizona Republic, February 3, 1985.

NEW DEVELOPMENTS

"New Developments" is featured each month as a service to employers and job seekers. It is a compilation of public announcements of the more significant new construction, grand openings, major hirings and layoffs, and other employer events that have special significance for Arizona labor markets. The announcements are paraphrased and otherwise edited from articles published in newspapers and other periodicals from throughout the state. "New Developments" are limited to space available, and no attempt is made to compile an exhaustive list of all such events that have occurred during the month.

CONSTRUCTION: The International Microelectronics Innovation Center (IMIC) was recently announced as one of the first future tenants of the Arizona State University Research Park. The $50 million, 244,000 square-foot project is designed to provide emerging microelectronics-related companies with leasable clean-room space to conduct research and development and will be "of extreme economic importance to any city or state hoping to become a center for high technology growth," said ASU Engineering Dean, C. Roland Haden. "Part of our goal will be to attract semiconductor facilities

to the area. Having larger firms as tenants will help us do that," Haden said. The IMIC Group will break ground this fall on the first phase of the project which will consist of four to six 5,200 square-foot clean-room modules as well as common space for computer-aided design and other costly equipment used in microelectronics design. "For start-ups, these are expensive items that often sit idle," said Haden. He compares the importance of the International Microelectronics Innovation Center to the joint effort of about 20 major technology companies at the Microelectronics and Computer Technology Corporation project in Austin, Texas. Haden said, "We think this Tempe facility will be better than the MCC project. MCC benefits the companies that already exist and are supporting that research. It's not bringing Austin any new companies." In contrast, he said, "The (IMIC) center will serve as a spawning ground and could conceivably produce 10 new semiconductor companies."

More than $8 million in financing has been arranged for the renovation of two Phoenix Union High School (PUHS) buildings that will be converted to office space. BA Mortgage of Arizona has provided $8,250,000 to developers James and Fredric Kaufman for the renovation of a 142,000 square-foot, four-story building and an adjacent 19,000 square-foot structure. The buildings are situated on 2.3 acres at Fifth Street and Taylor. The project represents the first phase of a planned redevelopment of the historic PUHS campus, according to Gibson Gorman, president of BA Mortgage. "The project is part of BA Mortgage's ongoing commitment to downtown redevelopment," Gorman said. "We have committed more than $32 million to date for downtown development." Walter Jorgensen, senior loan officer, who arranged the PUHS financing, said there is a need downtown for office space comparable to the Phoenix Union space. He said comparable office buildings in the downtown area are more than 90 percent leased. James Kaufman said the city of Phoenix has leased the entire project. He said the city prosecutor, Municipal Court, and the Water and Wastewater Department are scheduled to be relocated to the renovated space. The Kaufman Co. has begun the renovation. Completion is scheduled for October. The project is immediately east of a planned "superblock" consisting of proposed office, retail, hotel, and cultural facilities. The six-block project, bounded by Van Buren, Fillmore, Third, and Fifth streets, could include a major shopping center with an office complex surrounding a central greenbelt garden area.

Prescott has been chosen as the site for a new convention center by James Mack of J. Mack & Company, a Tempe firm. The land adjacent to the golf course on Antelope Hills is the specific site, chosen in part because of its proximity to Prescott's airport. The center will eventually consist of 7,500 square feet of meeting room facilities and a five-story hotel with 250 rooms. J. Mack and Company committed to starting the project within 18 months and, as earnest money, has agreed to deposit $25,000 with the city.

Another project has been announced for Prescott. South West Fishing Industries, a new Phoenix-based company, plans to build a fish farm about 25 miles north of Prescott on 240 acres east of Chino Valley. The company projects a fish-year production of 600 tons of fish from 60 tanks, with subsequent expansions based on revenues from the operation. The farm will eventually produce 4,200 tons of trout per year and employ 60 people.

EDUCATION - Arizona could confront a teacher shortage this coming fall according to statements released by Arizona State University's Career Services office regarding their report "Teacher Supply and Demand in Arizona: Fall 1985." Ray Castillo, assistant director of Career Services points out that "this year (fall 1984 and spring 1985) a total of 1,443 student teachers had assignments in Arizona schools. However, there are 2,730 projected fall openings. So, the shortfall is 1,287." He points out the decline in teachers graduating from the state's four-year universities and colleges as a main cause of the shortage. During the 1983-1984 academic year Arizona graduated 1,005 teachers, less than half of the 2,187 teachers graduated in the 1974-1975 academic year. ASU, which produced 1,086 teachers nine years ago, showed the greatest decline--547. The University of Arizona

was down 273, NAU was off 234, and Grand Canyon College decreased by 28. If the state relied solely on an in-state supply of new teachers, it would experience a severe teacher shortage this fall. Fortunately, one-half of Arizona's teachers come from out-of-state.

LAYOFFS - Motorola announced layoffs of 200 employees in May "despite a series of measures implemented by the company to keep workers employed," said Ken Phillips, a Motorola spokesman. A stagnant market for semiconductor products was blamed, bringing with it a 47 percent decline in Motorola's first-quarter projects compared with the same quarter in 1984. Motorola is the second largest semiconductor manufacturer in the world behind Texas Instruments. Its Semiconductor Products Sector employs about 14,000 people in the valley and 43,000 worldwide.

St. Luke's Medical Center announced a personnel cutback equivalent to laying off 156 people at the end of May due to a reduction in patient load and income. Officials point out, though, that actual jobs lost would only total about 50 since the bulk of the cutback will come from attrition and a reduction in the number of hours worked by hourly employees. Phil Riske, the hospital's public information officer, said the cuts will be across the board and are very necessary since the hospital's number of patients has averaged only 53 percent of capacity since July 1984.

About 65 jobs at Phelps Dodge Corporation operations in Bisbee are to be eliminated within six months because the company is ceasing its limited gold and silver mining there. The mining company has 91 employees in Bisbee who make from $9.35 to $14.22 per hour. Phelps Dodge expects to gradually reduce the work force to about 25 people. Jack Ladd, director of employee relations, says that more than a third of the workers qualify for early retirement. Others are to be offered transfers to other Phelps Dodge operations if jobs are available.

MERGERS - Western Savings and Loan Association has acquired the business of First Trust of Arizona, a subsidiary of First Bank Systems, Minneapolis. First Trust's offices are located in Phoenix, Sun City, and Carefree holding an $18.5 million portfolio of individual and personal trusts.

Ceramic Cooling Tower Company has acquired 100 percent of the outstanding capital stock of Tempe based RLI Inc., manufacturers of Tradewinds evaporating air coolers. "This will give the company a stronger financial base," said Ted Lanier, RLI president.

MORE OFFICE COST INFORMATION - Phoenix is among the five least expensive cities in cost per employee for opening a new office, according to a study by Howard Ecker & Company Real Estate, Chicago. The cost per employee is equivalent to non-rental costs plus one year's rent for 200 square feet of office space.

COST PER EMPLOYEE FOR OPENING NEW OFFICE

New York	$24,042	Houston	$15,216
Washington	21,288	PHOENIX	15,093
San Francisco	20,312	Atlanta	15,036
Boston	20,285	St. Louis	14,267
Los Angeles	19,859	Kansas City	14,136

Office rents are 25 percent of the cost of opening a new office. Other costs include furniture and fixtures, office and electronic equipment, interior improvements, decorating, carpeting, design services, and moving expenses. (See April 1985 NEWSLETTER for related article.)

TOURISM - Arizona's share of the national tourism market declined consistently over the past four years to 1.49 percent in 1985 down from 1.6 percent in 1979. In light of this, Director of the Arizona Office of Tourism, J. Phillip Keene III, has asked the state legislature to double its budget to approximately $4 million. Keene says Arizona is "missing the boat" by not doing more tourism promotion and that "we can't take it for granted that people will keep coming here on their own." Keene sees public dollars spent on tourism as "an investment, not an expenditure," as he points out the strong growth in tourism in the late seventies that occurred with only minimal expenditures from the state budget. Currently, Arizona ranks 34th in national expenditures on promotion of tourism.

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